

# PRODUCTIVE WAQF AS THE BASE OF SUSTAINABLE DEVELOPMENT GOALS IN INDONESIA

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**ABSTRACT:** *This thesis explains productive waqf as the basis for sustainable development in Indonesia. The methodology used in this study is an analytical-descriptive approach. The primary data sources in this study were obtained through classical and contemporary books of tafsir and fiqh, while secondary data was obtained through books and articles on productive waqf, sustainable development, and legislation on productive waqf in Indonesia. Productive waqf has great potential to support sustainable development in Indonesia through a variety of strategic mechanisms. By allocating waqf land for productive economic activities such as agriculture and small-medium industries, the income and economic welfare of local communities can be increased, jobs can be created, and poverty can be reduced. Funds generated from productive waqf can also be allocated for the development of social infrastructure such as education, health, and sanitation, which are essential for improving the quality of life and access to basic services. In addition, productive waqf supports environmental stewardship through sustainable agricultural practices and biodiversity protection, helping to address climate change and strengthen food security. The integration of productive waqf with government programs through supportive policies and regulations, as well as cooperation with Islamic financial institutions and companies, can strengthen the local economy and achieve sustainable development goals comprehensively. This will strengthen local capacity, increase people's economic independence, and create a solid foundation for inclusive and sustainable long-term growth.*

**Keywords:** Productive Waqf, Base, Sustainable Development Goals, Indonesia

## 1. INTRODUCTION

During the Islamic civilization, waqf was one of the greatest sources of wealth that encouraged social and economic progress. In the era of Islamic glory, waqf was used to establish educational institutions, libraries, provide scholarships, and pay the salaries of teaching staff. However, after the fall of the Ottoman Caliphate, many waqf assets were destroyed, and the government system changed to secular so that waqf management experienced a setback [1].

Waqf has an important role in people's lives, not only as worship but also as a tool for social and economic welfare. However, in Indonesia, waqf management is still often carried out traditionally and less productively. For example, Devi Megawati's research shows that productive waqf management in Pekanbaru is still traditional, with nāzir (waqf managers) who often make this task a voluntary side job and lack sufficient competence [2, 3].

Waqf has great potential if managed well. Successful examples of productive waqf management can be found in the educational sector, such as Al-Azhar University in Egypt, and in Indonesia, there is the Indonesian Islamic University Waqf Board (BWUII), the Sultan Agung Waqf Agency Foundation (YBWSA), and the Pondok Modern Gontor Waqf Board. In addition, several countries have succeeded in making productive use of waqf. In Bangladesh, cash waqf is used for capital for small and medium businesses, while in Singapore, waqf funds are used for the construction of mosques and housing units. Turkey and Malaysia are developing investment waqf through waqf share schemes, and Egypt is producing waqf in various business fields [4, 5]. Waqf in Indonesia has great potential to overcome social problems such as poverty and unemployment. Data from the Central Statistics Agency (BPS) shows that the number of poor people is still significant, so waqf can be a solution to improve community welfare. However, the large potential of cash waqf has not been utilized optimally. According to data from the Indonesian Waqf Board (BWI), the potential for

cash waqf reaches IDR 180 trillion per year, but the accumulation of cash waqf in 2021 will only be IDR. 819.36 billion[6]. The development of cash waqf in Indonesia still faces various challenges, such as the perception that waqf only consists of immovable assets such as land and buildings. In addition, many waqf lands do not have official certificates, giving rise to disputes. To overcome this obstacle, the government must implement strict regulations regarding waqf, as stated in Law No. 41 of 2004 concerning waqf and strengthened by Government Regulation No. 41 of 2006 concerning the implementation of waqf. The role of the state in developing waqf assets is very important. The state can collect and manage waqf assets effectively through appropriate regulations. Several Muslim countries, such as Egypt, Saudi Arabia, Jordan, Turkey, Bangladesh, and Malaysia, have succeeded in developing waqf assets, even making them a source of state income to help overcome poverty. However, in Indonesia, waqf management is still mostly used for consumptive purposes related to worship, such as building mosques and Islamic boarding schools. Productive and professional management of waqf requires joint commitment from the government, ulama, community, and other related components. Currently, in Indonesia, many Islamic philanthropic institutions manage waqf professionally and productively, such as Tabung Waqf Indonesia (TWI) under the Dompot Dhuafa Foundation, Waqaf under the Post Justice Cares for the Ummat (PKPU), Global Wakaf, Rumah Waqf Indonesia, and the Daarut Tauhiid waqf institution. For example, Tabung Waqf Indonesia (TWI) develops cash waqf for education, health, da'wah, and economic empowerment, while the Wakaf Bangun Nurani Bangsa Foundation (YWBNSB) uses cash waqf to build commercial property. To optimize the potential of cash waqf in Indonesia, joint efforts from various parties are needed. The government needs to issue policies that support the development of cash waqf, such as tax incentives for waqif and nāzir, as well as

simplifying waqf administration procedures. Financial institutions can act as managers of cash waqf funds, managing and investing them professionally and transparently. Waqf institutions need to increase capacity and professionalism in managing and developing cash waqf. The community also needs to be more empowered and educated about the importance of cash waqf and its benefits for economic and social development. With professional and transparent management, as well as support from various parties, cash waqf has great potential to become an important instrument in economic and social development in Indonesia. Cash waqf can play a significant role in overcoming various economic and social problems, such as poverty and unemployment, as well as improving the overall welfare of society.

## 2. METHOD

Data are facts and raw materials used as material for compiling information and research reports. In this research, data sources are divided into primary and secondary. Primary data sources include: (a) Tafsir al-Qur'an and Translation of the Indonesian Ministry of Religion, (b) Tafsir Jami' al-Bayan 'an Ta'wil Ayat al-Qur'an by Al-Thabari, (c) Tafsir al-Qur'an al-Adzīm by Ibn Katsir, (d) Tafsir Ma'alim al-Tanzil by Al-Baghawi, (e) Tafsir Fi Zhilal al-Qur'an by Sayyid Qutb, (f) Tafsir Al-Maraghi by al-Maraghi, (g) Tafsir al-Misbah by M. Quraish Shihab, (h) Tafsir al-Azhar by Buya Hamka, and (i) classical and contemporary fiqh books. Secondary data was obtained from a literature review, including books and articles about productive waqf, books and articles about sustainable development, as well as legislation about productive waqf in Indonesia.

The data collection process involves several steps: (1) dividing the discussion of Al-Qur'an signals into two phases, (2) selecting related verses through the Indonesian Ministry of Religion's Al-Qur'an index, (3) data collection is divided into two dimensions, namely productive waqf and sustainable economic development, and (4) selecting the type of interpretation of the Al-Quran.

The data analysis techniques used in this research include (a) the study and analysis of interpretations of various tafsir by paying attention to the correlation between interpretations and the socio-cultural context of the interpreter; (b) the comparison of interpretations to distinguish variations in interpretation; and (c) looking for evidence from the hadith. complete the interpretation, (d) complete the study with the results of scientific exploration of productive waqf as a basis for sustainable economic development according to the Al-Qur'an, and (e) draw conclusions based on the theoretical framework related to productive waqf and sustainable economic development in Indonesia.

This research also uses a descriptive-analytical method, namely a method that describes human ideas by conducting critical studies of print media in the form of paper manuscripts and secondary manuscripts. The focus of this research is to describe, discuss, and criticize primary ideas that are confronted with other primary ideas to study comparisons, relationships, and theory development.

## 3. RESULTS AND DISCUSSION

### Principles of Sustainable Economic Development

#### SDGs

Sustainable Development Goals are a set of universal goals, targets, and indicators designed as a reference for UN member countries in designing their political agenda and policies for the next 15 years. The SDGs include development priorities such as eradicating poverty, improving health, better education, food security, and improving nutrition, as well as broader goals in the economic, social, and environmental fields. Broader than the MDGs, the SDGs cover various priorities, such as eliminating poverty, improving health, increasing education, food security, and nutrition. In addition, the SDGs promise to create a more peaceful and inclusive society through specific and measurable implementation tools.

SDGs are an effort to ensure the increased economic welfare of society while maintaining environmental quality. This goal also includes efforts to ensure social justice and good governance, so that a good quality of life can be maintained from one generation to the next. From the various existing definitions, it can be concluded that the SDGs are a series of goals and targets designed to achieve sustainable development by covering various aspects of human life. This includes efforts to reduce poverty, improve health, education, food security, and nutrition, as well as achieve broader economic, social, and environmental goals [ ].

#### Pillars of Sustainable Development

SDGs include 17 goals and 169 targets distributed in social, economic, environmental, legal, and governance pillars as a whole, supported by 319 indicators. The following are the 17 sustainable development goals:

1. No Poverty: Eradicating poverty in all its forms throughout the world.
2. Zero Hunger: Achieve food security and improved nutrition, and encourage sustainable agricultural cultivation.
3. Healthy and Prosperous Living: Maintaining optimal health and improving the welfare of all people, regardless of age.
4. Quality Education: Ensure equality and better quality of education and increase access to learning for all individuals.
5. Gender Equality: Achieving gender equality and empowering women and mothers.
6. Clean Water and Adequate Sanitation: Ensure sustainable access to clean water and sanitation for all individuals.
7. Clean and Affordable Energy: Ensure affordable, reliable, sustainable, and modern access to energy sources.
8. Decent Work and Economic Growth: Ensure inclusive and sustainable economic growth by providing decent work for all people.
9. Industry, Innovation, and Infrastructure: Encourage the development of quality infrastructure and promote sustainable and innovative industry.
10. Reducing Inequality: Reducing inequality within and between countries for the sake of shared prosperity.

11. Sustainable Cities and Communities: Creating inclusive, safe, resilient, and sustainable cities and settlements.
12. Sustainable Consumption and Production: Ensure sustainable consumption and production patterns.
13. Addressing Climate Change: Taking rapid action to address climate change and its impacts.
14. Ocean Ecosystems: Protect and preserve marine ecosystems to support sustainable growth.
15. Terrestrial Ecosystems: Sustainably manage forests, restore degraded land, and reduce dry land.
16. Peace, Justice, and Resilient Institutions: Building inclusive societies, providing equal access to the justice system, and promoting responsible and inclusive governance.
17. Partnerships to Achieve Goals: Building strong global partnerships to achieve sustainable development.

### **Challenges and Opportunities in Sustainable Economic Development in Indonesia**

Indonesia is determined to implement the "2030 Agenda" with a focus on ending poverty, overcoming inequality, fighting for human rights, and highlighting the relationship between social and economic progress and environmental protection. The SDGs are implemented based on the principles of universality, integration, and inclusivity to ensure that everyone benefits, in line with the principle of "No One Left Behind."

With a population of around 273 million people spread across 38 provinces and 514 districts and cities, Indonesia is a democratic country that, since 2000, has implemented a decentralization policy, giving autonomy to local governments to plan development in their regions. The implementation of the MDGs has brought various advances in many sectors, but continued efforts with strong partnerships are still needed to expand these achievements. The SDGs program has been integrated into 20 national development priorities.

The role of local governments in achieving the SDGs is very crucial, but they cannot operate independently. Collaboration and partnerships between local governments and with other parties are very important. The contributions of governors, regents, mayors, regional government officials, and regional people's representatives play an important role in establishing partnerships with non-governmental organizations and donor agencies to advocate for sustainable development, especially in encouraging innovation.

The importance of having a long-term vision for development is reflected in the Indonesian government's ongoing efforts to implement sustainable development. The legal framework that supports this achievement is Presidential Regulation Number 59 of 2017 concerning the Implementation of Sustainable Development Goals, which ensures the integration of sustainable development in the national development agenda.

Through this Presidential Decree, sustainable development is guaranteed to be implemented in Indonesia on a strong legal basis. Article 19 of the Presidential Decree regulates sources of financing for programs that are in line with sustainable development, including the APBN, APBD, and other legal sources, following applicable regulations.

As a result of the official launch of Sustainable Development in 2015, Indonesia established a National Coordination Team, prepared the 2017–2019 National Action Plan (NAP), designed the 2017–2030 roadmap and developed Regional Action Plans (RAD) across the region. This involves various stakeholders, including the government, parliament, academics, experts, community organizations, media, philanthropy, and the business sector, to implement a sustainable development agenda.

### **Sustainable Development Indicators**

Sustainable development is the paradigm underlying global efforts to achieve human well-being without compromising the ability of future generations to meet their own needs. This paradigm includes three main dimensions: economic, social, and environmental. Each of these dimensions has specific indicators that are used to evaluate the progress and performance of a country or region in achieving sustainable development goals [3].

### **Economic Indicators, Economic Growth, and Income Distribution**

Economic indicators are an important tool for assessing the health and economic progress of a country. It includes parameters such as economic output, employment, inflation, and productivity. Economic growth, often measured by gross domestic product (GDP), provides an idea of the size and pace of a country's economic development. However, economic growth alone is not enough; income distribution is also crucial. Large income disparities can threaten social and political stability, making it important to design policies that promote more equal distribution.

Economic indicators are not only used by governments to design fiscal and monetary policies, but also by international organizations and the private sector to measure economic stability and anticipate changes in global markets. The government, for example, uses indicators such as inflation and interest rates to set monetary policies that support sustainable economic growth.

In the context of globalization, external factors such as financial crises or trade wars can have a significant impact on a country's economic growth. Therefore, efforts to achieve inclusive and sustainable economic growth require cross-sector and international cooperation.

### **Social Indicators, Poverty Reduction, and Education Improvement**

Social indicators cover aspects that determine the quality of human life, including health, education, social security, and general welfare. Poverty reduction is a major focus in the global sustainable development agenda because poverty includes not only aspects of low income but also limited access to quality education and health services.

Education is an important foundation in efforts to achieve sustainable human development. Investment in quality education opens the door to broader opportunities for individuals to participate in the global economy and contribute to overall social development.

### **Environmental Indicators, Natural Resource Sustainability and Waste Management**

Environmental indicators cover various aspects that describe the health of the earth's ecosystem. This includes air, water, soil quality, biodiversity, sustainability, and the management

of natural resources. Sustainability of natural resources is an important concept in maintaining ecosystem balance and ensuring that natural resources can be used for the long term without damaging the environment.

Waste management is a strategy to reduce the negative impact of human activities on the environment. Effective waste management includes recycling and the use of environmentally friendly technologies to minimize pollution and extend the life of limited raw materials.

### **Productive Waqf as an Instrument for Sustainable Development**

Social justice in Islam is a fundamental value that is emphasized through concepts such as 'adl, qishti, and mizan in the Koran. This justice does not only include equality of rights and fair treatment, but also balance in the creation and rejection of unfair treatment (QS. an-Nisa [4]: 135; QS. al-Mumtahanah [60]: 8). These principles are not only the basis of Muslim social life, but also the moral foundation for institutions such as waqf institutions.

In this context, Islam teaches that wealth is not the absolute property of individuals, but rather a trust given by Allah to be managed fairly (QS. Yunus [10]: 55; QS. al-Hajj [22]: 65). This underlines the social responsibility to manage assets by considering social justice and the interests of society as a whole.

Waqf institutions, with their large potential assets, have an important role in building a more just social structure. Through productive waqf, these assets are not only managed to meet essential needs, but also to support the education, health, and economic development of underprivileged communities. For example, data from the Ministry of Religion shows that the area of waqf land in Indonesia reached 271,985.47 hectares with an economic value of 590 trillion rupiah, highlighting the huge potential that can be utilized in sustainable development.

Implementing productive waqf as an instrument of sustainable development not only optimizes the use of waqf assets but also stimulates local economic growth and reduces social disparities. Through this approach, Islam not only plays a role in achieving economic justice but also in building a prosperous and just society.

Thus, increasing the role of waqf institutions in developing productive waqf not only supports the social justice agenda in Islam but is also a sustainable strategy for improving the social and economic conditions of the people. These practical steps need to be supported by effective management and sustainability in the management of waqf assets so that they can provide maximum benefits for the wider community.

### **Economic, Social, and Environmental Impact of Productive Waqf**

Productive waqf offers a paradigm that not only utilizes Waqf assets efficiently, but also optimizes economic, social, and environmental potential. In an economic context, productive waqf plays a role as the main driver in generating manageable income to support the development of crucial infrastructure, such as roads and bridges, as well as strengthening strategic sectors such as agriculture and small and medium industries (IKM). For example, investments in waqf commercial properties not only provide stable income through rentals but

also support local economic growth by increasing access to basic services and creating jobs.

In Malaysia, waqf banks have been pioneers in supporting large capital-requiring infrastructure projects, which contribute significantly to the country's GDP. Transparency in the management of waqf assets also attracts private investors to participate in sustainable economic projects, reducing the burden of dependence on public resources.

Socially, productive waqf not only generates income but also plays a role in increasing people's access to education and health services. Through waqf funds, schools and health facilities have been established, providing wider access to quality education and adequate health services. Active participation of local communities in managing waqf assets also strengthens social solidarity and collective responsibility for the sustainability of waqf projects.

From an environmental perspective, productive waqf plays an important role in supporting sustainable natural resource management. Investments in organic farming and renewable energy not only reduce the carbon footprint but also maintain ecological balance and support environmental sustainability.

Thus, productive waqf is not only about generating economic profits but also carrying out important social functions and preserving the environment. With a structured and well-managed approach, productive waqf has the potential to become a main pillar in building an inclusive society, a sustainable economy, and a sustainable environment. By continuing to integrate these principles in the management of waqf assets, humanity can achieve significant progress towards a better future for all communities and the planet.

### **Productive Waqf as an Instrument for Sustainable Development**

Productive waqf is a crucial instrument in sustainable development, not only focusing on economic sustainability but also social and environmental sustainability. This concept uses waqf assets to generate income that can be managed again for the benefit of the community, making it not only a charity tool but also a driving force for a sustainable local economy.

The management of productive waqf assets involves a careful and sustainable investment strategy to ensure sustainability and optimize investment results. These assets include farmland, commercial property, businesses, or other financial investments. This effective approach to management not only keeps assets in existence but also ensures sustainable growth and benefits for society and the environment.

An example of implementing productive waqf management is through land management for organic farming. Sustainable practices such as the use of organic fertilizers and efficient irrigation systems not only increase crop yields but also maintain long-term soil health, supporting sustainable yields without harming the environment.

Apart from agriculture, developing commercial property with sustainable principles is also crucial to the waqf asset management strategy. The development of environmentally friendly and energy-efficient commercial properties not only reduces environmental impacts but also creates sustainable economic value for waqf owners and local communities.

An important aspect of managing waqf assets is transparent and professional governance, including accountable finances,

regular reporting, and good risk management. By implementing strong governance, waqf institutions can build trust with donors, investors, and the community, supporting the long-term sustainability of waqf initiatives.

Waqf asset management also requires a deep understanding of relevant market and economic trends to make timely and strategic investment decisions. Choosing the type of investment that suits the waqf objectives and market conditions can increase the potential for investment returns and reduce the risk of market fluctuations.

Thus, managing productive waqf assets is not only about generating financial profits but also providing sustainable social and environmental benefits. Through this approach, waqf can act as a catalyst for inclusive and environmentally friendly local economic development, creating a broad positive impact on society and the country as a whole.

### **Accelerating Sustainable Development from an Islamic Perspective**

QS. Al-Baqarah [2]: 30 is a verse that emphasizes the role of humans as caliphs on earth according to the Qur'an. In this verse, Allah SWT makes humans responsible managers of the earth and its contents. Al-Maraghi underscored the need to safeguard natural resources with full responsibility, stressing the significance of preserving ecological balance in the utilization of nature. Ibn Kathir highlighted the principles of justice and equality in the management of natural resources per Islamic teachings, which emphasize harmony between humans, nature, and their creator. Al-Thabari added that environmental maintenance, as part of the Islamic heritage (wasiyyah), demands that humans do not destroy the environment for personal gain but maintain the sustainability of the earth for future generations.

Al-Baqarah [2]: 164 contains a description of Allah SWT creating the universe in harmony. Al-Baghawi emphasized that sustainable development must take into account the balance of nature that has been created by Allah, emphasizing the importance of development that respects the environment and promotes social welfare. Tafsir Al-Maraghi interprets this verse as a reminder of the greatness of Allah in creating balance in the universe, including the alternation of night and day and the importance of water as a source of life.

Al-Mulk [67]:15 teaches humans to utilize the universe with full responsibility and wisdom. Al-Baghawi added that humans are permitted to enjoy sustenance from the earth, but with the understanding that its use must be wise and not damage the environment. Ibn Kathir highlighted the importance of developing technology and science to improve human welfare without sacrificing natural sustainability.

Al-An'am [6]: 141 emphasizes the importance of self-control in utilizing natural resources by respecting the diversity that Allah has created. This verse requires humans not to overdo the benefits of nature, along with the obligation to share the results fairly through zakat. Thus, an excessive attitude toward exploiting nature is not only contrary to Islamic teachings but can also have a detrimental impact on human life itself.

The Islamic approach to sustainable development teaches that humans, as caliphs on earth, have a moral and spiritual responsibility to protect and preserve nature with gratitude

and vigilance. In this context, management of natural resources, sustainable development, and self-control in utilizing them are integral parts of obedience to Allah and concern for environmental sustainability.

### **Perfecting virtue in development**

Moral and spiritual development in Islam is the main foundation that guides individuals and society towards harmony and prosperity. QS verse. Al-Baqarah [2]:177 emphasizes that virtue is not just a religious ritual, but also involves deep spiritual commitment and concrete actions that bring broad benefits to society. Virtue in Islam includes faith in Allah SWT, the Last Day, angels, His books, and His prophets, as well as various good actions such as giving wealth to the poor, people who are on a journey, and those who need help. This not only shows personal piety but also social responsibility to create balance and justice in society (QS. Ar-Rum [30]:41).

Apart from that, the Qur'an teaches the importance of contemplating the signs of Allah's greatness in the universe (QS. Ar-Rum [30]:41). Every natural phenomenon, from mountains to oceans, is clear evidence of His power and wisdom. Humans are given the intelligence to understand this beauty as a form of respect and gratitude to the Creator. However, busyness and modern life often make humans neglect this miracle, even though understanding and respecting His creation is part of their obligation as caliphs on earth (QS. Al-Mulk [67]: 15).

Allah SWT in the Qur'an emphasizes that this earth is not only a place for humans to live but also a trust that must be guarded with full responsibility (QS. Al-Mulk [67]: 15). Humans are given the freedom to utilize natural resources, but only on the condition that they maintain balance and sustainability. This includes the responsibility to not only take from the earth but also to give back and keep natural resources productive and sustainable.

Al-Hajj [22]:41 underlines the role of humans as God's caliphs on this earth. By being given power, humans have the responsibility to ensure social and moral justice in society. This includes their duties to perform prayers, pay zakat, and command what is right and prevent what is wrong. Prayer and zakat are not only personal rituals of worship but also instruments for building a just and empowered society (QS. Al-Hajj [22]: 41).

Luqman [31]:16 highlights the importance of thanking Allah for His blessings. Luqman teaches that gratitude is not just words but also attitudes and actions that reflect a deep appreciation for God's gifts. This is a way to strengthen the spiritual bond between humans and the Creator and opens the door to receiving more of His blessings.

Al-Baqarah [2]:195 emphasizes the importance of living a life with a balance between worship and social responsibility. Allah reminds His people to use their wealth and time wisely, not only for personal interests but also for the benefit of humanity at large. This reflects the principle that life in this world is a temporary test that must be responded to with awareness of the afterlife and preparation to face it.

Thus, through understanding and practicing virtue, recognizing the greatness of Allah in the universe, taking responsibility towards the earth as a caliph, and living a life with a balance between worship and social goodness, humans

can build a solid foundation for sustainable development and eternal happiness. in this world and in the afterlife.

### **Solutions for Improving the Economy and Reducing Poverty Rates from an Islamic Perspective**

The Qur'an is the main source of teachings for Muslims, providing in-depth guidance on how humans should interact with the economy and achieve success in earning a living. [1]QS. Al-Baqarah [2]: 286 teaches the importance of hard work, honest effort, and dependence on Allah in earning a living and achieving economic success. This verse emphasizes that each individual has different capacities given by Allah SWT, and humans must manage this potential seriously to achieve economic success.

Islam emphasizes that economic success is not the result of arrogance or manipulation but of hard work based on high moral values such as honesty and integrity. In all aspects of life, including seeking sustenance, Islam encourages its followers to act fairly and avoid all forms of fraud or exploitation.

In their efforts to earn a living, Muslims are directed to comply with the principles of sharia that regulate economic transactions, such as the prohibition against usury and unfair transactions. Compliance with these principles is considered part of the worship of Allah SWT and a path to obtaining blessings in life.

Al-Baqarah [2]: 261-262 provides an example of the importance of economic empowerment through zakat and charity in Islam. These verses highlight that zakat is not only a social obligation or act of worship, but also an economic instrument capable of building communities sustainably. Zakat is considered a social investment that can improve community welfare by ensuring a more equitable distribution of wealth.

The concept of zakat in Islam is strengthened by QS. Al-Baqarah [2]: 262, emphasizes that zakat must be given with full sincerity and without causing suffering to the recipient. This principle not only reduces social and economic disparities but also builds solidarity among Muslims and strengthens the economies of disadvantaged communities.

An-Nisa [4]: 5 guides justice in the distribution of inheritance in Islam. This verse emphasizes that inheritance must be divided fairly under the provisions stipulated by the Islamic religion. This principle of justice does not only cover formal legal aspects but also considers social welfare and harmony in society.

In an economic context, the prohibition against usury is confirmed in QS. Al-Baqarah [2]: 275-279 as a form of injustice that must be avoided by Muslims. Usury is not only financially detrimental but also contrary to the principles of justice and honesty in economic transactions. Islam encourages its followers to develop an economy based on social and economic justice and to avoid exploitative practices.

Ar-Rum [30]: 41 emphasizes the importance of sustainable economic development from an Islamic perspective. This verse teaches that an advanced civilization can utilize natural resources wisely and responsibly, remembering that humans are caliphs on earth who are responsible for environmental sustainability.

Al-Baqarah [2]: 177 and QS. Al-Hujurat [49]: 13 emphasizes the importance of social responsibility in Islam, both for individuals and corporations. Islam teaches that true faith goes beyond mere ritual aspects, encompassing social obligations towards fellow human beings, including giving zakat, almsgiving, and efforts to promote social welfare.

Al-Isra [17]: 26-27 reminds Muslims to avoid wasteful and luxurious behavior that is not useful because this is considered irresponsible in managing assets and does not follow the principles of social justice.

Thus, Islam provides comprehensive guidance on how its followers should interact with the economy to achieve success and blessings. Through the principles of justice, honesty, and social responsibility, Muslims are expected to build a society that is inclusive, just, and economically sustainable.

### **Donate loved assets for the benefit of the people**

Al-Qur'an, in QS. Al-Baqarah [2]: 261-262, provides in-depth guidance on the principles of zakat and charity in Islam, as well as their positive impact on individuals and society. These verses highlight the importance of giving in God's way sincerely and emphasize the great benefits that will be obtained by those who do so. QS. Al-Baqarah [2]: 261 begins with a parable about people who spend their wealth in the way of Allah, which is compared to a grain that grows seven stalks, each with a hundred seeds. This illustrates that deeds done sincerely and in the way of Allah will be multiplied in extraordinary ways. This analogy illustrates that every good thing done with the right intention will have abundant and multiple results in the afterlife. QS. Al-Baqarah [2]: 262 underlines the importance of giving zakat with an open heart and selflessly. Allah confirms that wealth spent in His way will receive great rewards, like large mountains that have many trees and produce much fruit. This describes the results of good deeds that are sustainable and socially beneficial[7].

More broadly, QS. Al-Baqarah [2]: 261-262 provides guidelines regarding the principles of zakat in Islam, namely the obligation to give part of one's assets to those entitled to receive them. Zakat is not only about physical giving but also about cleansing the heart of greed and strengthening social bonds in Muslim communities. Good deeds done with sincere intentions not only bring goodness to the recipient but also bring blessings and ease into worldly life. This creates a sustainable cycle of goodness where generous people receive blessings in their lives. The importance of sincerity in charity is also emphasized, because sincere intentions are the key to acceptance of charity by Allah. In this context, zakat not only functions as a tool for redistributing wealth but also as a spiritual means to cleanse and strengthen one's faith.

Muslims are taught to have a broad attitude toward giving charity, that is, not expecting rewards or praise from humans but only seeking Allah's pleasure. This shows that truly sincere charity will be infinitely rewarded, even if its material value may seem small. QS. Al-Imran [3]: 92 conveys a deep message about the primacy and importance of piety in Islam, as well as how piety influences the attitudes and actions of a Muslim. This verse provides strong moral direction about how a person should behave towards religion and their life in everyday life. This verse begins with the affirmation that

taqwa, namely devotion to Allah, is one of the main keys to obtaining salvation and happiness both in this world and in the afterlife.

Taqwa is an attitude of heart that includes deep awareness of Allah, following His commands, avoiding His prohibitions, and always trying to live in obedience to Him. The importance of piety in everyday life is emphasized in this verse as the foundation of all good deeds and blessings in life. Fear of Allah does not only include aspects of ritual worship such as prayer and fasting, but also includes every aspect of human life, including social, economic, and political relations. The importance of piety is also reflected in a person's daily attitudes and actions. A devout person will always try to do good to other people, avoid harmful behavior, and try to build good relationships with fellow humans. This is because piety brings awareness that every action will be accountable to Allah. Taqwa is one of the keys to gaining Allah's pleasure and getting good rewards in the afterlife. A person who lives in piety will feel a sense of peace and contentment in their heart because they know that they are always under the protection and mercy of Allah.

Apart from that, taqwa also teaches Muslims not only to carry out Allah's commands formally but also to understand and appreciate the moral values contained therein. This involves awareness of human rights and obligations, as well as the importance of maintaining justice and truth in all aspects of life. Thus, piety must be the basis for building a just and dignified society. By having piety, an individual will contribute positively to building a society based on the values of justice, equality, and shared prosperity.

Al-Hadid [57]: 7 contains a deep message about the importance of belief in Allah and the decision to choose a path in life that brings goodness and success both in this world and in the afterlife. This verse highlights the contrast between people who spend their wealth in the way of Allah and those who do not, as well as the spiritual implications of such a choice. This verse begins by stating that those who spend their wealth in the way of Allah can be compared to someone who plants a small seed, which produces seven heads, and each ear produces a hundred seeds. This is a metaphor that describes the great and multiple results of every good thing done with sincere intentions in his path.

The importance of spending wealth in the way of Allah is mentioned in this verse as a way to gain His pleasure and obtain great rewards in the afterlife. Charity that is done sincerely and to fulfill Allah's commands is a form of worship that is appreciated by Him and will have a broad positive impact on a person's life. Allah multiplies the rewards of good deeds as He wishes, without limits that humans can imagine. This illustrates that kindness done with sincere intentions will have a much greater impact than just material values or daily benefits obtained in the world. In addition, this verse teaches that spending wealth in the way of Allah is not only about giving in material form, but also about giving time, energy, and talents for the common good. This includes various forms of charity, such as zakat, almsgiving, and participation in projects that improve the welfare of society as a whole.

The importance of sincere intentions in charity is explained in this verse as the key to getting great rewards in the afterlife.

Allah accepts good deeds only if they are done with a sincere intention to draw closer to Him and bring benefits to fellow humans. Spending wealth in the way of Allah is proof of solid faith and a strong commitment to Islamic values. This shows that Islam teaches its followers not only to be devout individuals who worship, but also to actively contribute to building a society based on justice, equality, and shared prosperity. Thus, charity done sincerely in the way of Allah is not only a form of worship but also a way to achieve salvation and happiness both in this world and in the afterlife.

#### 4. CONCLUSION

Productive waqf has great potential to become the basis for sustainable development in Indonesia through several strategic mechanisms and implementations. First, allocating waqf land for productive economic activities such as agriculture, plantations, or small and medium industries, can increase the income and economic welfare of local communities. This not only reduces poverty but also creates jobs and encourages inclusive economic growth. Second, funds generated from productive waqf can be allocated for the development of social infrastructure such as education, health, and sanitation. This investment is essential to improving the quality of life and equal access to basic services in various regions, which are sustainable development goals. Furthermore, productive waqf supports environmental maintenance through sustainable management of waqf assets such as forests or agricultural land. Sustainable agricultural practices and environmental protection implemented on waqf land can help address climate change, strengthen food security, and protect biodiversity. By integrating sustainable development principles into productive waqf management, Indonesia can harness the enormous potential of waqf assets to build a more resilient society, a more inclusive economy, and a more sustainable environment. Optimizing productive waqf management has great potential to support the achievement of sustainable development goals in Indonesia. Through the effective use of waqf assets, such as land and property, for productive economic activities such as agriculture, small-medium industry, or investment in social infrastructure, it can increase the income and welfare of local communities. In addition, funds from productive waqf can be allocated for the development of educational infrastructure, health, and other public services, which are essential for improving the quality of life and increasing community access to crucial facilities.

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